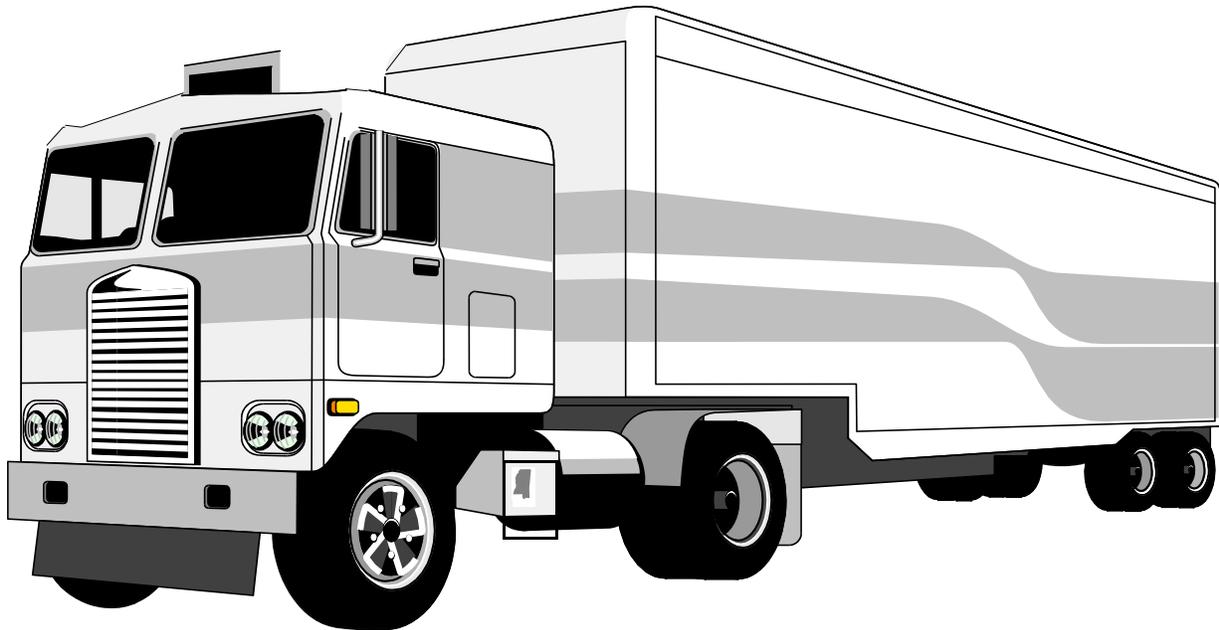


IFTA

International Fuel Tax Agreement 2011 Compliance Manual



Mississippi Department of Revenue

Petroleum Tax Division

P. O. Box 1140

Jackson, MS 39215

Phone: (601) 923-7150

Fax: (601) 923-7165

Email: petroleu@dor.ms.gov

Table of Contents

I.	Introduction.....	3
II.	Definitions.....	4
III.	Initial Licensing Procedures.....	6
	A. IFTA License Application Procedures.....	6
	B. Annual License Fee.....	7
	C. Account Identification.....	7
	D. Bonding.....	7
IV.	IFTA Credentials.....	7
	A. IFTA License.....	7
	B. IFTA Decals.....	8
	C. IFTA 30-Day Temporary Decal Permit.....	8
V.	Annual Renewal Procedures.....	8
VI.	Reporting Requirements.....	9
	A. Quarterly Reports.....	9
	B. Penalty & Interest Provisions.....	10
	C. Measurement Conversion Table.....	10
	D. Exempt Fuel Use.....	10
	E. Tax Exempt Miles.....	11
	F. Weight-Distance Tax.....	11
VII.	Refunds - Credits.....	11
VIII.	Assessments for Failure to File Reports.....	11
IX.	Lease Agreements.....	11
X.	License Cancellation, Suspension, Revocation & Reinstatement.....	13
	A. License Cancellation.....	13
	B. License Suspension and Revocation.....	13
	C. License Reinstatement.....	13
XI.	Record Keeping Requirements.....	13

A.	Mileage Records	13
B.	Fuel Receipts.....	14
C.	Bulk Fuel Storage.....	15
D.	Record Retention Period	15
E.	Penalty for Failure to Maintain Records	15
F.	Location of Records.....	16
XII.	Electronic Data Recording Systems	16
XIII.	Audit	17
A.	Audit Selection.....	17
B.	Notification of Audit Date	17
C.	Audit Conferences	18
D.	Audit Results.....	18
XIV.	Appeals Procedures.....	18
A.	Thirty (30) Day Protest Period.....	18
B.	Hearing	18
C.	Notification of Results	18
D.	Further Appeals.....	19
	Mississippi Department of Transportation Inspection Stations	20
	IFTA Member Jurisdictions' (addresses & phone numbers).....	21

I. INTRODUCTION

The International Fuel Tax Agreement (IFTA) is a base state fuel tax agreement. Upon application, the carrier's base jurisdiction will issue credentials that will allow the IFTA licensee to travel in all IFTA member jurisdictions.

As of January 1, 2006, the fifty-eight (58) IFTA member jurisdictions are:

Alabama	Illinois	Mississippi	North Dakota	South Carolina
Alberta	Indiana	Missouri	Nova Scotia	South Dakota
Arizona	Iowa	Montana	Ohio	Tennessee
Arkansas	Kansas	Nebraska	Oklahoma	Texas
British Columbia	Kentucky	Nevada	Ontario	Utah
California	Louisiana	New Brunswick	Oregon	Vermont
Colorado	Maine	New Hampshire	Pennsylvania	Virginia
Connecticut	Manitoba	New Jersey	Prince Edward Is.	Washington
Delaware	Maryland	New Mexico	Quebec	West Virginia
Florida	Massachusetts	New York	Rhode Island	Wisconsin
Georgia	Michigan	Newfoundland	Saskatchewan	Wyoming
Idaho	Minnesota	North Carolina		

Mississippi is your base jurisdiction for IFTA licensing and reporting if:

1. You have an established place of business in Mississippi from which motor carrier operations are performed.
2. You operate qualified motor vehicles that actually travel on Mississippi highways.
3. You maintain operational control and records for qualified motor vehicles in Mississippi or can make those records available in Mississippi.

Notice - Mississippi must be your base state for the International Registration Plan (IRP), or you must have a Mississippi Farm Tag in order for you to use Mississippi as your base jurisdiction for IFTA.

The IFTA License offers several benefits to interstate motor carriers. Some of these benefits include one license, one set of credentials, one quarterly tax report which reflects the net tax or refund due and one audit in most circumstances. These benefits all lead to the cost and time savings of the interstate carrier. This manual explains in detail the application for credentials, licensing, reporting, record keeping requirements, and audit procedures.

II. DEFINITIONS

APPLICANT is a person in whose name the uniform application for licensing is filed with a base jurisdiction for the purpose of motor fuel tax reporting under the provisions of this Agreement.

AUDIT means a physical examination of the records and source documents supporting the licensee's reports.

AXLE means an assembly of a vehicle consisting of two (2) or more wheels whose centers are in one horizontal plane by means of which a portion of the weight of a vehicle and its load, if any, is continually transmitted to the roadway.

BASE JURISDICTION means the member jurisdiction where qualified motor vehicles are based for vehicle registration purposes and:

1. operational control and operational records of the licensee's qualified motor vehicles are maintained or can be made available; and
2. where some mileage is accrued by qualified motor vehicles within the fleet.

The Commissioners of two (2) or more affected jurisdictions may allow the consolidation of several fleets which would otherwise be based in two (2) or more jurisdictions.

CANCELLATION means the annulment of a license and its provisions by either the licensing jurisdiction or the licensee.

CARRIER means a person who operates or causes to be operated a qualified motor vehicle on any highway in Mississippi.

COMMISSIONER means the official designated by the jurisdiction to be responsible for administration of IFTA.

DEPARTMENT means the Mississippi Department of Revenue.

DIVISION means the Petroleum Tax Division.

FLEET means one or more vehicles.

GROSS VEHICLE WEIGHT means the unladen (empty) weight of a vehicle (tractor and trailer) plus the weight of any load thereon.

IN-JURISDICTION DISTANCE means the total number of miles or kilometers operated by a registrant's/licensees' qualified motor vehicles within a jurisdiction. In-jurisdiction miles or kilometers do not include those operated on a fuel tax trip permit or those exempted from fuel taxation by a jurisdiction.

JURISDICTION means a State of the United States of America, the District of Columbia, a Province or Territory of Canada, or a State of the United Mexican States.

LESSEE means the party acquiring the use of equipment with or without a driver from another.

LESSOR means the party granting the use of equipment with or without a driver to another.

LICENSEE means a person who holds an uncanceled agreement license issued by the base jurisdiction.

MEMBER JURISDICTION means a jurisdiction that is a member of the International Fuel Tax Agreement.

MOTOR FUELS means all fuels placed in the supply tank of qualified motor vehicles.

PERSON means an individual, corporation, partnership, association, trust or other entity.

QUALIFIED MOTOR VEHICLE means a motor vehicle used, designed, or maintained for the transportation of persons or property and:

1. having two (2) axles and a gross vehicle weight or registered gross vehicle weight exceeding twenty-six thousand (26,000) pounds or 11,797 kilograms;
2. having three (3) or more axles regardless of weight; or
3. used in combination when the weight of such combination exceeds twenty-six thousand (26,000) pounds or 11,797 kilograms gross vehicle or registered gross vehicle weight.

Qualified motor vehicle does not include recreational vehicles.

RECREATIONAL VEHICLES mean vehicles such as motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure by an individual. In order to qualify as a recreational vehicle, the vehicle shall not be used in connection with any business endeavor.

REGISTRATION means the qualification of motor vehicles normally associated with a prepayment of licensing fees for the privilege of using the highway and the issuance of a license plate and a registration card or temporary registration card containing owner and vehicle data.

REPORTING PERIOD means a period of time consistent with the calendar quarterly periods of January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31.

REVOCATION means withdrawal of license and privileges by the licensing jurisdiction.

SUSPENSION means temporary removal of privileges granted to the licensee by the licensing jurisdiction.

TEMPORARY PERMIT means a permit issued by the base jurisdiction or its agent to be carried in a qualified vehicle in lieu of display of the permanent annual decals. A temporary permit is valid for a period of 30 days to give the carrier adequate time to affix the annual permanent decals.

TOTAL DISTANCE means all miles or kilometers traveled during the reporting period by every qualified motor vehicle in the licensee's fleet, regardless of whether the miles or kilometers are considered taxable or nontaxable by a jurisdiction.

WEIGHT means the maximum weight of the loaded vehicle or combination of vehicles during the registration period.

III. INITIAL LICENSING PROCEDURES

A. IFTA License Application Procedures

Any motor carrier based in Mississippi and operating one (1) or more qualified motor vehicles in at least one (1) **other** jurisdiction may file an IFTA License Application in Mississippi.

If a carrier qualifies as an IFTA licensee but does not wish to participate in the IFTA program, trip permits must be obtained to travel through member jurisdictions, according to the regulations of each member jurisdiction.

A carrier may request an IFTA License Application by contacting the Mississippi Department of Revenue, Petroleum Tax Division at (601) 923-7150, or download the IFTA License Application form on our internet site, www.dor.ms.gov. The IFTA License Application requests basic information about the carrier and the operations of the carrier.

Upon completion of the license application, a carrier must submit the application to the Mississippi Department of Revenue, Petroleum Tax Division, P. O. Box 1140, Jackson, MS 39215, for processing, or fax the application to (601)-923-7165. If any information is omitted from the license application, the Department, thus delaying the application and licensing process will contact the carrier. Once the Department processes the application, the proper IFTA credentials will be issued to the licensee.

The Department will not issue a license if the license application submitted contains misrepresentations, misstatements, or omits required information.

The Department will not issue a license to a corporation who is not in good standing with the Mississippi Secretary of State's office.

No license or decals shall be issued to any applicant that has been licensed under the International Fuel Tax Agreement and such licensee is under revocation by any member jurisdiction. No license or decals shall be issued to any applicant who is in arrears or default to the state or any political subdivision thereof, for any taxes or fees. (Section 27-61-9, (4) Mississippi Code of 1972 as amended.)

If a licensee prefers a Reporting Service to fulfill their responsibility for filing application/returns and paying taxes as owed, then a Power of Attorney must be placed on file with the Tax Department, you do not have to file a new Power of Attorney each year. If you are no longer using a Reporting Service you must cancel the Power of Attorney in writing. The filing of a Power of Attorney does not relieve the licensee of the legal obligation associated with the IFTA license. The licensee is ultimately responsible for the payment of taxes as well as all acts and omissions of the stated Reporting Service.

From time to time the IFTA Articles of Agreement are amended to clarify articles in the agreement. Updates to the IFTA Articles of Agreement can be found at: www.iftach.org.

B. Annual License Fee

Mississippi does not charge a license or decal fee for fuel tax registration.

C. Account Identification

IFTA account identification numbers are created by using the prefix designated for Mississippi (MS) followed by the licensee's nine (9) digit Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service (IRS). An FEIN is required for all accounts as well as a social security number for individual / sole owner accounts. If a FEIN is not available for a corporation, or a SSN is not available for a sole owner, a temporary computer-generated number will be used as the licensee's account number. When a licensee receives a FEIN or SSN, the licensee should contact the Department of Revenue or notify the Department in writing.

D. Bonding

The Department of Revenue may require an IFTA licensee to post a bond. When a licensee has failed to file timely reports, tax has not been remitted, or when an audit indicates problems severe enough that, in the Department's discretion, a bond is required to protect the interests of all member jurisdictions.

IV. IFTA CREDENTIALS

A. IFTA License

An IFTA license will be assigned to each IFTA licensee. A legible copy of the license must be maintained in the cab of each qualified vehicle. **The original license issued by the Department**

should be kept in a safe place other than your vehicle. The IFTA license is valid for the calendar year January 1 through December 31. If a carrier is found operating a qualified motor vehicle without an IFTA license card, the licensee may be subject to citations and/or fines.

B. IFTA Decals

Upon completion of the decal order information on the IFTA License Application, the Department will issue IFTA decals at no cost. Two (2) decals will be issued for each qualified motor vehicle operated by the IFTA licensee. IFTA requires that the decals be placed on the exterior portion of both sides of the cab. IFTA decals are valid for the calendar year January 1 through December 31 and may be displayed one month prior to the effective date. Failure to display the IFTA decals properly may subject the licensee to citations and/or fines.

Additional decals may be requested throughout the year, at no cost, by sending a letter stating the number of decals required and the reason additional decals are being requested. **A copy of the IFTA license should be attached to each letter requesting decals.**

C. IFTA 30-Day Temporary Decal Permit

The base jurisdiction may provide for the issuance of a 30-day IFTA temporary permit to a licensee in good standing in lieu of display of the annual decals. In lieu of permanent decals, an IFTA temporary permit may be issued by the base jurisdiction valid for all member jurisdictions. The temporary permit must be vehicle specific and contain the expiration date. Temporary Decal will only be issued to a specific vehicle one time, after the 30-day period expires a permanent decals must be displayed. The temporary permit need not be displayed but shall be carried in the vehicle. The Department at no charge will issue the IFTA Temporary Decal Permit to the Mississippi IFTA Permittees. Temporary Decal Permit for licensees in good standing may order the Temporary Decal via the internet at www.dor.ms.gov.

V. ANNUAL RENEWAL PROCEDURES

Each year the Department of Revenue will issue pre-printed IFTA License Renewal Applications to all licensees whose accounts are in good standing. IFTA decals and license cards are issued at no cost upon completion of the decal order information on the Renewal Application. Use this form to update information about your operations.

Renewal of the IFTA license may be denied if the Department of Revenue determines that the licensee has failed to file any report or has failed to remit any amounts due any member jurisdiction. **If the licensee fails to travel outside the State of Mississippi for four (4) consecutive quarters, no IFTA license will be issued without the licensee furnishing two (2) trip permits for travel in other states.**

VI. REPORTING REQUIREMENTS

A. Quarterly Reports

All licensees must file an IFTA quarterly tax report with the Department. The quarterly tax report indicates the tax or refund due for each member jurisdiction. Only one (1) check is written to the Department for the net taxes due or one check is written to the licensee for the net refund due. Tax rates provided on the IFTA quarterly tax report will be current for all member jurisdictions. As tax rates and procedures change, the base jurisdiction will inform licensees.

Included in the IFTA quarterly tax report is the following information:

1. Total miles, taxable and nontaxable, traveled by licensee's qualified motor vehicles in all jurisdictions, IFTA and non-IFTA, including trip permit miles;
2. Total gallons of fuel consumed, taxable and nontaxable, by licensee's qualified motor vehicles in all jurisdictions, IFTA and non-IFTA;
3. Total miles and taxable miles traveled in each member jurisdiction;
4. Taxable gallons consumed in each member jurisdiction; and
5. Tax-paid gallons placed in qualified vehicles in each member jurisdiction.

NOTE: ALL NUMBERS MUST BE ROUNDED TO THE NEAREST WHOLE GALLON OR MILE.

If a licensee reports "No Operations" on a continuous basis but requests decals, the Department of Revenue must assume that the licensee is operating and avoiding fuel tax payments.

The IFTA quarterly tax report will be sent to all IFTA licensees at least thirty (30) days prior to the due date. **Failure to receive the quarterly tax report does not release the licensee from reporting obligations.** Quarterly tax reports may be obtained from the Petroleum Tax Division or they can be found in an Excel Spreadsheet on our website at www.dor.ms.gov.

A quarterly tax report must be filed even if the licensee does not operate or purchase taxable fuel in any IFTA member jurisdiction in a particular quarter.

The due date for the quarterly tax report is the last day of the month immediately following the close of the quarter for which the report is being filed. The due dates are as follows:

<u>Reporting Quarter</u>	<u>Due Date</u>
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31

The quarterly tax report must be postmarked or hand delivered to the Department of Revenue by the due date. If the due date is a Saturday, Sunday, or legal holiday, the next business day is considered the due date. The licensee will be subject to the IFTA penalty and interest provisions if the report is not filed in a timely manner. **NOTE: To ensure your IFTA Report is postmarked on or before the due date, we would suggest that it be mailed at least three (3) days before the due date.**

Send returns with or without payments to the Mississippi Department of Revenue, Petroleum Tax Division, P. O. Box 1140, Jackson, MS 39215.

B. Penalty and Interest Provisions

When a licensee fails to file a tax report, files a late tax report, or fails to remit the correct tax due, the licensee is subject to penalty and interest. The penalty is the greater of fifty dollars (\$50.00) or ten percent (10%) of the net tax due to all member jurisdictions. Interest accrues at the rate of one percent (1%) per month. The Department will calculate interest from the date tax was due for each month or fraction thereof until paid. **Unlike penalty, interest is computed on the tax due each member jurisdiction.** Penalty may be waived if the licensee is able to show reasonable cause for failure to comply with any requirements. **Interest is mandatory. There are no provisions for waivers of interest.**

C. Measurement Conversion Table

Mississippi IFTA licensees are required to report based upon United States measurements. Conversion rates are:

1 gallon = 3.785 liters	1 liter = .2642 gallons
1 mile = 1.6093 kilometers	1 kilometer = .62137 miles

All numbers must be rounded to the nearest whole gallon or mile.

D. Exempt Fuel Use

IFTA recognizes that some jurisdictions allow exemptions for fuel used for offloading purposes. **This exemption is not calculated on the IFTA return.** Exemptions must be obtained from the state in which the tax was paid. The licensee must maintain adequate records to support the exemption claimed. For further information, contact the appropriate jurisdiction. See Page 19 for IFTA Member listing.

E. Tax Exempt Miles

IFTA recognizes that some jurisdictions have unique economic and geographic characteristics which have given rise to various definitions of tax exempt miles. For further information, contact the appropriate jurisdiction. See Page 19 for IFTA Member listing.

F. Weight-Distance Tax

Currently, Idaho, Kentucky, New Mexico, New York and Oregon have a weight-distance tax that is not covered under IFTA and is **NOT computed on the IFTA Report**. If you travel through these jurisdictions, contact them to comply with their regulations regarding this tax. See Page 19 for IFTA Member listing.

VII. REFUNDS - CREDITS

A refund may be claimed on the IFTA tax report for any overpayment of tax in a reporting period. **Please check the box on the IFTA return if a refund is requested.** A refund will be issued once the Division determines that all tax liabilities, including any outstanding audit assessments, have been satisfied to all member jurisdictions. A refund may be denied if the licensee is delinquent in filing any quarterly tax report(s).

If a refund is not requested, the credit will be carried forward to the next period. Earned credits will expire after eight quarters if not used.

VIII. ASSESSMENTS FOR FAILURE TO FILE REPORTS

When the licensee fails, neglects, or refuses to file an IFTA tax report, the Department shall make an assessment of taxes, penalties and interest from any information available that shall be prima facie correct. The Department shall give written notice to the licensee of the taxes, penalties and interest assessed and demand payment within twenty (30) days from the date of the notice.

IX. LEASE AGREEMENTS

Every qualified motor vehicle leased to a carrier is subject to IFTA requirements to the same extent and in the same manner, as a qualified motor vehicle owned by that carrier.

In the case of lessor, lessee, independent contractors and household goods agents, the following will apply:

1. A lessor who is regularly engaged in the business of leasing or renting motor vehicles without drivers for compensation to licensees or other lessees may be deemed to be the licensee, and such lessor may be issued a license if an application has been properly filed and approved by the base jurisdiction.
2. In the case of a carrier using independent contractors under long term leases (**thirty (30) days or more**), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. In the absence of a written agreement or contract, or if the document is silent regarding responsibility for reporting and paying fuel use tax, the lessee

will be responsible for reporting and paying fuel use tax. If the lessee (carrier) assumes responsibility for reporting and paying motor fuel taxes, the base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor.

3. In the case of short-term motor vehicle rentals by **a lessor regularly engaged in the business of leasing, or renting motor vehicles without drivers, for compensation to licensees or other lessees of 29 days or less**. The lessor will report and pay the fuel use tax unless the following two conditions are met:
 - a. The lessor has a written rental contract which designates the lessee as the party responsible for reporting and paying the fuel use tax; and,
 - b. The lessor has a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental.
4. In the case of a carrier using **independent contractors under short-term/trip leases of 29 days or less**, the trip lessor will report and pay all fuel taxes.
5. In the case of a household goods carrier using independent contractors, agents, or service representatives, under intermittent leases, the party liable for motor fuel tax shall be:
 - a. The lessee (carrier) when the qualified motor vehicle is being operated under the lessee's jurisdictional operating authority. The base jurisdiction for purposes of this agreement shall be the base jurisdiction of the lessee (carrier) regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor or lessee.
 - b. The lessor (independent contractor, agent, or service representative) when the qualified motor vehicle is being operated under the lessor's jurisdictional operating authority. The base jurisdiction for purposes of this agreement shall be the base jurisdiction of the lessor regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes.
6. No member jurisdiction shall require the filing of such leases, but such leases shall be made available upon request of any member jurisdiction.

X. LICENSE CANCELLATION, SUSPENSION, REVOCATION AND REINSTATEMENT

A. License Cancellation-(Closing an IFTA account)

An IFTA license may be canceled at the request of any licensee provided all reporting requirements and tax liabilities to all member jurisdictions have been satisfied. The cancellation

box on the final IFTA quarterly tax report may be checked to indicate the end of operations under IFTA. **The license may also be canceled by submitting a written request for cancellation.** Upon cancellation, the licensee must return the original IFTA license and all used and unused IFTA decals to the Department of Revenue. A final audit may be conducted by any member jurisdiction upon cancellation of an IFTA license. The record retention period of four (4) years from the due date of the final quarterly tax report applies.

B. License Revocation

An IFTA license may be revoked for any of the following reasons:

1. Failure to file an IFTA quarterly tax report;
2. Failure to remit all taxes due all member jurisdictions; or
3. Failure to pay or file an appeal of an audit assessment within the established time period.

The Department of Revenue will notify all member jurisdictions when a suspension or revocation has occurred. **Also, the Mississippi Petroleum Tax Laws were amended effective July 1, 1998 to provide that any person operating a motor vehicle with REVOKED or illegally obtained International Fuel Tax Agreement (IFTA) credentials (license and decals) shall be guilty of a misdemeanor. Upon conviction, shall be punished by a fine of not less than \$250.00 or more than \$1,000.00 for the first such offense and not less than \$500.00 nor more than \$1,000.00 or confinement in the county jail for not more than 30 days or both for any subsequent offense.**

C. License Reinstatement

The Division may reinstate an IFTA license once the licensee files all required reports and remits all outstanding liabilities due all member jurisdictions. The Department of Revenue will notify all member jurisdictions when a revocation has been released. The Division may require the licensee to post a bond in an amount sufficient to satisfy any potential liabilities of all member jurisdictions.

XI. RECORD KEEPING REQUIREMENTS

A. Mileage Records

It is the licensee's responsibility to maintain records of ALL interstate and intrastate operations of qualified motor vehicles. The licensee's records must support the information reported on the quarterly tax report. The Individual Vehicle Mileage Record (IVMR), as required for the International Registration Plan, is an acceptable source document for recording vehicle distance information. Another acceptable source document is a trip report that must include:

1. Date of trip (starting and ending);

2. Trip origin and destination (including city and state);
3. Routes of travel and beginning and ending odometer readings;
4. Total trip miles or kilometers;
5. Distance by jurisdiction;
6. Vehicle unit number;
7. Vehicle fleet number; and
8. Licensee's name.

B. Fuel Receipts

The licensee must maintain complete records of all fuel purchases. Separate totals must be compiled for each fuel type. Fuel types include gasoline, gasohol, diesel, kerosene, liquefied petroleum gas (LPG), and compressed natural gas (CNG). The fuel records must contain:

1. The date of purchase;
2. The name and address of the seller;
3. The number of gallons or liters purchased;
4. The type of fuel purchased;
5. The price per gallon or liter or total amount of sale;
6. The unit number of the vehicle into which the fuel was placed; and
7. The purchaser's name (in the case of a lessee/lessor agreement, receipts will be accepted in either name, provided a legal connection can be made to the reporting party).

In order for the licensee to obtain credit for tax paid purchases, a receipt or invoice, a credit card receipt or automated vendor generated invoice or transaction listing must be retained by the licensee showing evidence of such purchases and tax having been paid. These records may be kept on microfilm, microfiche or other computerized or condensed record storage system which meets the legal requirement of the base jurisdiction.

Receipts that have been altered or indicate erasures are not accepted for tax-paid credits unless the licensee can demonstrate the receipt is valid.

C. Bulk Fuel Storage

A licensee who maintains a bulk fuel storage facility may obtain credit for tax paid on fuel withdrawn from that storage facility if the following records are maintained:

1. Date of withdrawal;
2. Number of gallons or liters withdrawn;
3. Fuel type;
4. Unit number of the vehicle into which the fuel was placed; and
5. Purchase and inventory records to substantiate that tax was paid on all bulk fuel purchases.

Upon request by the licensee, the State may waive the requirement of unit numbers for fuel withdrawn from the licensee's own bulk storage and placed into its qualified motor vehicle. The licensee must show that adequate records are maintained to distinguish fuel placed into qualified verses non-qualified vehicles. Records should be kept separate for retail purchases and bulk storage withdrawals.

D. Record Retention Period

Adequate record keeping is important to the carrier when seeking a refund or credit for tax-paid fuel, and is equally important to the Division to ensure compliance with the reporting and payment of all tax liabilities. Every licensee shall maintain records to substantiate information reported on the quarterly tax report. These records must be maintained for a period of four (4) years from the due date of the return or the date that the return was filed, whichever is later. Records must be made available upon request by any member jurisdiction.

E. Penalty for Failure to Maintain Records

Licensees shall retain the previously described records for a period of four (4) years from the date of filing the quarterly tax report. Non-compliance with any record keeping requirement may be cause for revocation of the license.

F. Location of Records

A licensee's records should be maintained at a location in Mississippi. If these records are not maintained in Mississippi or are not made available in Mississippi, the auditor's travel expenses will be billed to the licensee upon completion of the audit.

XII. Electronic Data Recording Systems

On-board recording devices, vehicle tracking systems or other electronic data recording systems may be used in lieu of or in addition to written trip reports.

Reporting Requirements

Data collection requirements for mileage records, fuel receipts, and bulk fuel storage are the same as referred to above. For devices used in conjunction with manual systems or computer systems which produce printed trip reports, vehicle and fleet summaries which show miles and kilometers by jurisdiction must also be prepared.

Printed trip reports shall be retained for audit. In such cases where trip reports are not printed and retained, the computer system must have the capability of producing such upon request.

The system shall be able to produce the following reports: trip reports, summary reports for individual vehicles, summary reports for fleets and exception reports. Exception reports are those that identify all edited data, omissions of required data, system failures, noncontinuous life-to-date odometer readings, travel to noncontiguous jurisdictions, and trips where the location of the beginning trip is not the location of the previous trip.

In cases where speed/rpm sensors or odometer/speedometer interface devices are providing pulse inputs to the on-board computer, the system will record the calibration factors used in calculating mileage at time of download from the vehicle to the base computer. The fleet shall also keep accurate records of all Engine Control Module calibrations.

Security

The on-board recording or vehicle tracking device and support systems must be, to the maximum extent practicable, tamperproof, and must not permit altering of the information collected. If the original information is edited, both the edited and original data must be recorded and retained.

The device must time and date stamp all data recorded. A visual and /or audible warning shall alert the driver should the device cease to function. The device must not allow data to be overwritten before the data has been extracted. The driver shall be warned visually and/or audibly when the memory is full and can no longer record data. It must also automatically update a life-to-date odometer when the vehicle is placed in motion or the operator must enter the current vehicle odometer reading when the on-board recording or vehicle tracking device is connected to the vehicle. The device must provide a method for the driver to confirm that the entered data is correct (e.g., a visual display of the entered data that can be reviewed and edited by the driver before the data is stored).

The carrier must obtain a certificate from the manufacturer certifying that the design of the on-board recording or vehicle-tracking device has been sufficiently tested to meet the requirements of this provision.

Carrier Responsibilities

It is the carrier's responsibility to recalibrate the on-board recording device on mechanical or electronic installations when the tire size changes, the vehicle drive train is modified, or any modifications are made to the vehicle, which affect the accuracy of the on-board recording device. It should be maintained and recalibrate in accordance with the manufacturer's specifications. A record of recalibrations must be retained for the audit retention period.

The carrier is to maintain a second copy or back up of the electronic files either electronically or in paper form for the audit retention period. Drivers are to be trained in the use of the computer system and shall be required to note any failures of the on-board recording or vehicle tracking device and to prepare manual trip reports of all subsequent trip information until the device is operational. It is the carrier's responsibility to assure the entire record keeping system meets the requirements of IFTA.

XIII. Audit

The purpose of an IFTA audit is the verification of fuel and mileage data reported on the IFTA quarterly tax reports. The Department of Revenue will audit IFTA licensees on behalf of all member jurisdictions.

A. Audit Selection

The Department of Revenue will audit an average of at least 3% of its IFTA licensees at least once every year. Any Mississippi IFTA licensee may be selected for audit.

B. Notification of Audit Date

Prior to conducting an IFTA audit, an auditor will contact the licensee by telephone to arrange an acceptable date to begin the audit. At that time, the auditor will outline the time period to be audited and the records to be reviewed. To confirm the audit date, the auditor will send a follow-up letter detailing the audit date, time periods to be audited and records required. When operational records are not located or are not made available in Mississippi, the auditor's travel expenses will be billed to the licensee upon completion of the audit.

C. Audit Conferences

At the beginning of the audit, the auditor will confer with the licensee to determine background information, reporting methods, and records to be reviewed. As the audit progresses, the auditor

and the licensee will discuss the sample periods, sampling techniques, and any problem areas. A final conference will be held with the licensee to explain audit adjustments and future reporting practices.

D. Audit Results

A letter of audit findings and recap schedules will be given to the licensee after the auditor processes the written copy of the audit. The licensee has thirty (30) days to remit a payment or file protest on an audit assessment. A refund due will be issued after any outstanding tax liabilities have been satisfied. The Division will submit audit reports to all member jurisdictions. The licensee may be subject to a supplemental audit if any member jurisdiction disagrees with the audit results.

XIV. APPEALS PROCEDURES

A. Thirty (30) day Protest Period

A licensee may appeal the audit finding issued by any member jurisdiction by submitting a written request for a hearing, within thirty (30) days of receipt of the original notice of tax due. If the hearing is not requested within thirty (30) days, the audit finding is final.

B. Hearing

The hearing will be held before the Department of Revenue Board of Review. Written notice of the date, time and place of the hearing will be sent at least twenty (30) days prior to the hearing date. The hearing shall be held in a timely manner, but may be rescheduled for a reasonable cause shown by either party. The Tax Commission will participate in the appeal process on behalf of all member jurisdictions. The licensee may appear in person and/or be represented at the hearing. A person may not represent the licensee unless the licensee is present at all times or person representing the licensee has a properly executed power of attorney to represent the licensee.

C. Notification of Results

The Department will notify the licensee in writing of the findings and rulings on the appeal. The licensee may request a supplemental audit from any member jurisdiction if the licensee objects to the findings of the Commission. Each jurisdiction to which a request is made may elect to accept or deny the request.

D. Further Appeals

If any person disagrees with the decision of the Board of Review, he may apply to the Commission by petition, in writing, within thirty (30) days after notice is mailed to him, for

hearing and correction of the decision of said board.

Any person aggrieved by the final order of the Commission, including any person charged with any tax and required to pay the same, may appeal from such order to the Chancery Court of Hinds County, Mississippi, or the Chancery Court of his residence or principal place of business in this State.

**Mississippi Department of Transportation
Inspection Stations**

<u>Station Name</u>	<u>Highway</u>	<u>Phone No.</u>
Bovina South	I-20, E Bound	601-636-0101
Bovina North	I-20, W Bound	601-636-0780
Centreville	Miss. 33	601-645-9152
Corinth East	U.S. 45 Bypass, N Bound	601-287-9274
Corinth West	U.S. 45 Bypass, S Bound	601-287-9401
Fulton, South	U.S. 78, E Bound	662-862-7231
Fulton, North	U.S. 78, W Bound	662-862-7230
Greenville	U.S. 82	662-335-1336
Iuka, South	U.S. 72	662-423-1832
Iuka, North	U.S. 72	662-423-1831
Kentwood	I-55, N Bound	504-229-7189
Kentwood	I-55, S Bound	504-229-6029
Kewanee	U.S. 80	601-632-4099
Kewanee, South	I-59 & I-20, E Bound	601-632-4189
Kewanee, North	I-59 & I-20, W Bound	601-632-4187
Lucedale, North	U.S. 98, W Bound	601-947-1221
Lucedale, South	U.S. 98, E Bound	601-947-1242
Lula	U.S. 49	601-337-2387
NASA, South	I-10, E Bound	228-533-5564
NASA, North	I-10, W Bound	228-533-5549
Natchez	U.S. 61, 84, 98	601-442-4686
Nesbit, East	I-55, N Bound	662-429-5785
Nesbit, West	I-55, S Bound	662-429-5887
Nicholson, East	I-59, N Bound	601-798-5158
Nicholson, West	I-59, S Bound	601-798-8735
Olive Branch, South	U.S. 78, E Bound	662-895-3637
Olive Branch, North	U.S. 78, W Bound	662-895-3636
Orange Grove, South	I-10, E Bound	228-475-3093
Orange Grove, North	I-10, W Bound	228-475-3095
Sandy Hook	Miss 35	601-736-7463
Woodville	U.S. 61	601-888-6956

IFTA MEMBER JURISDICTIONS

ALABAMA

Department of Revenue
Motor Vehicle Division, IFTA Section
50 No. Ripley St. Room 1226
Montgomery, AL 36104
(334) 242-9078

ALBERTA

Tax and Revenue Administration
Sir Frederick W. Haultain Building
9811-109 Street
Edmonton, Alberta T5K 2L5
(780) 427-3044

ARIZONA

IFTA Manager
Arizona Department of Transportation
1801 W. Jefferson, M.D. 519M
Phoenix, AZ 85007-2100
(602) 712-7272

ARKANSAS

Motor Fuel Tax Section
P. O. Box 1752
Little Rock, AR 72203
(501) 682-4806

BRITISH COLUMBIA

Consumer Taxation Branch
Province of British Columbia
P. O. Box 9442, Stn Prov Govt
Victoria, BC, Canada V8W 9V4
(250) 387-0635

CALIFORNIA

State Board of Equalization
P. O. Box 942879 MIC:65
Sacramento, CA 94279-0065
(916) 327-2264

COLORADO

Colorado Department of Revenue
Taxpayer Services Division
1375 Sherman St., Room 200
Denver, CO 80261-0016
(303) 205-5602

CONNECTICUT

Department of Revenue Services
25 Sigourney ST
Hartford, CT 06106
(860) 541-3222 or 3216

DELAWARE

Motor Fuel Tax Administration
Motor Carrier Services Section
P. O. Drawer E
Dover, DE 19903-1565
(302) 744-2702

FLORIDA

Motor Carrier Services
MS #59, Room A 115
Tallahassee, FL 32399-0500
(850) 922-0931

GEORGIA

Department of Revenue
Taxpayer Services Division
1800 Century Center Blvd. NE, Suite 8223
Atlanta, GA 30345
(404) 417-6707

IDAHO

Idaho Tax Commission
P. O. Box 36
Boise, ID 83722-0036
(208) 334-7834

ILLINOIS

Department of Revenue
Motor Fuel Tax Division, MS: 2-265
P. O. Box 19477
Springfield, IL 62794-9477
(217) 785-6493

INDIANA

Department of Revenue
Motor Carrier Services Section
5252 Decatur Blvd. Suite R
Indianapolis, IN 46241
(317) 615-7274

IOWA

Department of Transportation
Office of Motor Carrier Services
P. O. Box 10382
Des Moines, IA 50306-0382
(515) 237-3270

KANSAS

Department of Revenue
Customer Relations - Motor Fuel
915 SW Harrison St.
Topeka, KS 66625-8100
(785) 296-3658

KENTUCKY

Kentucky Transportation Cabinet
P. O. Box 2007
Frankfort, KY 40602
(502) 564-4540

LOUISIANA

Department of Revenue
P. O. Box 4998
Baton Rouge, LA 70821
(225) 219-7656

MAINE

Fuel Tax Licensing Unit
Bureau of Motor Vehicles
#29 State House Station
Augusta, ME 04333-0029
(207) 624-9000 Ext. 52136

MANITOBA

Finance -Taxation Division
101-401 York Avenue
Winnipeg, MB R3C 0P8
(204) 945-3194

MARYLAND

Comptroller of the Treasury
Motor Fuel Tax Unit
P. O. Box 1751
Annapolis, MD 21404
(410) 260-7138

MASSACHUSETTS

Department of Revenue
P. O. Box 7027
Boston, Massachusetts 02204
(617) 887-5080

MICHIGAN

Department of Treasury
Customer Contact Division – Special Tax
Lansing, Michigan 48922
(517) 636-4600

MINNESOTA

Department of Public Safety
Driver & Vehicle Services
Prorate and IFTA
445 Minnesota Street, Suite 188
St. Paul, MN 55101
(651) 405-6161

MISSISSIPPI

Department of Revenue
P. O. Box 1033
Jackson, MS 39215
(601) 923-7152

MISSOURI

Missouri Department of Revenue
Motor Carrier Services
P. O. Box 893
Jefferson City, MO 65102-0893
(573) 751-3671

MONTANA

Department of Transportation
P. O. Box 5895
Helena, MT 59604-5895
(406) 444-7629

NEBRASKA

Department of Motor Vehicles
Motor Carrier Services Division
P. O. Box 94729
Lincoln, NE 68509-4729
(888) 622-1222 or (402) 471-4435

NEVADA

Department of Motor Vehicles & Public
Safety
Motor Carrier Bureau
555 Wright Way
Carson City, NV 89711-0625
(702) 684-4711

NEW BRUNSWICK

Department of Finance
Revenue Division
P O Box 3000
Fredericton, New Brunswick, CND E3B
5G5
(506) 444-5758

NEW HAMPSHIRE

Road Toll Bureau
Department of Safety
10 Hazen Drive
Concord, NH 03305
(603) 271-2386

NEW JERSEY

Division of Motor Vehicles
225 E. State Street P.O. 133
Trenton, NJ 08666
(609) 633-9408

NEW MEXICO

Taxation & Revenue Department
P. O. Box 5188
Santa Fe, NM 07504-1028
(505) 827-1005

NEW YORK

Department of Taxation & Finance
Registration Section-Highway Use Tax Unit
W.A. Harriman Campus
Albany, NY 12227
(800) 972-1233

NEWFOUNDLAND

Department of Finance, Taxation and Fiscal
Policy Branch
Confederation Building Prince Philip
Parkway
P. O. Box 8720
St. John's, NF, Canada A1B 4K1
(709) 729-6386

NORTH CAROLINA

Department of Revenue
Motor Fuels Tax Section
P. O. Box 25000
Raleigh, NC 27640
(919) 733-8186

NORTH DAKOTA

Motor Carrier Services
D O T, Motor Carrier Division
608 East Boulevard Avenue
Bismarck, ND 58505-0780
(701) 328-2928

NOVA SCOTIA

Service Nova Scotia and Municipal
Relations
Registry and Information Management
Services Div
P. O. Box 755
Halifax, Nova Scotia B3J 2V4
(902) 424-2850

OHIO

Department of Taxation
Excise and Motor Fuel Tax Division
P. O. Box 530
Columbus, OH 43266-0530
(614) 466-3522

OKLAHOMA

Oklahoma Tax Commission
Motor Vehicle Division/IFTA
P.O. Box 52948
Oklahoma City, OK 73152
(405) 521-3246

ONTARIO

Motor Fuels and Tobacco Tax Branch
Ministry of Finance
33 King St. West, 3rd Floor
Oshawa, ON L1H 8H9
(905) 433-6412

OREGON

ODOT Motor Carrier Transportation Branch
550 Capitol Street NE
Salem, OR 97310-2530
(503) 373-1634

PENNSYLVANIA

Department of Revenue
Bureau of Motor Fuel Taxes
Department 280646
Harrisburg, PA 17128-0646
(717) 705-5460

PRINCE EDWARD ISLAND

Department of Provincial Treasury
Taxation and Property Records Division
P. O. Box 1330
Charlottetown, Prince Edward Island, C1A
7N1
(902) 368-5703

QUEBEC

Service Cotisation - B(DGM)
3800 Rue de Marly, secteur 3-4-2
Sanite-Foy, Quebec
Canada, G1X 4A5
(418) 652-4382

RHODE ISLAND

Department of Administration
Division of Taxation - Excise Tax Section
One Capitol Hill
Providence, RI 02908
(401) 222-6317

SASKATCHEWAN

Department of Finance
Revenue Division
2350 Albert Street
Regina, SK, S4P 4A6
(306) 787-7749

SOUTH CAROLINA

Department of Motor Vehicles
P O Box 1498
Columbia SC 29016
(803) 737-1755

SOUTH DAKOTA

Department of Revenue
Division of Motor Vehicles
445 E. Capitol Avenue
Pierre, SD 57501-3185
(605) 773-5335

TENNESSEE

Department of Safety
Commercial Vehicle Division
1148 Foster Avenue – Cooper Hall
Nashville, TN 37210
(615) 253-2296

TEXAS

Comptroller of Public Accounts
LBJ State Office Building
111 East 17th Street
Austin, TX 78711
(512) 463-3849

UTAH

State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134
(801) 297-7661

VERMONT

Department of Motor Vehicles
120 State St.
Montpelier, VT 05603
(802) 828-2070

VIRGINIA

Department of Motor Vehicles
Motor Carrier Services
P O Box 27412
Richmond, VA 23269
(804) 367-2582

WASHINGTON

Fuel Tax Services
PO Box 9228
Olympia, WA 98507-9228
(360) 664-1868

WEST VIRGINIA

Department of Motor Vehicles
Commercial Vehicle Section - Fuel Tax Unit
1001 Lee Street
Charleston, WV 25301
(304) 558-0700 or 4448

WISCONSIN

Department of Transportation
P O Box 7979
Madison, WI 53707-7979
(608) 264-4382

WYOMING

Motor Vehicle Services
Fuel Tax Section
5300 Bishop Blvd.
Cheyenne, WY 82009-3340
(307) 777-4837